



Bureau of Labor and Industries:

Presentation to the House Committee on Labor and Workforce Development

November 18, 2025



History of Oregon's Labor Contractor Statutes

1959: Farm labor contractors

1975: Farm labor contractors expanded to include production of timber

2013: Construction labor contractors

2017: Property service contractors



Statutory Definition

(2)(a) “Construction labor contractor” includes any person that:

(A) For an agreed remuneration or rate of pay, recruits, solicits, supplies or employs workers to perform labor for another in construction;

(B) For an agreed remuneration or rate of pay, recruits, solicits, supplies or employs workers on behalf of an employer engaged in construction; or

(C) Enters into a subcontract with another for any of the activities described in subparagraph (A) or (B) of this paragraph.



Statutory Definition

(b) “Construction labor contractor” does not include:

- (A) A person that has a construction contract with an owner of real property where the construction work is performed;
- (B) A person that has obtained building permits to perform construction work;
- (C) A person that supplies building materials or machinery, other than manual tools or hand-operated power tools, for a construction project;
- (D) An owner of real property engaged in the solicitation or recruitment of persons to perform construction work on the owner’s property;
- (E) The Employment Department;
- (F) A crew leader;
- (G) Individuals who perform labor pursuant to an agreement for exchanging their own labor or services with each other, provided the work is performed on land owned or leased by the individuals;
- (H) An educational institution that is recognized as such by the Department of Education;
- (I) A labor union;
- (J) A local joint apprenticeship committee formed under ORS 660.135; or
- (K) A staffing agency whose primary purpose is to provide workers to the client employers of the agency under the terms of a client agreement, if the agency provides workers’ compensation coverage for all employees as required by ORS chapter 656 and pays employment and income taxes in accordance with applicable law.



Licensing Requirements

In addition to licensing required by the CCB:

Statutorily required application, exam, and fee.

Must maintain wage bond, cash deposit, or savings account with Commissioner as trustee:

\$10,000 if employ 20 or fewer employees

\$30,000 or less if employ more than 20 employees.

Execute a written agreement with each worker prior to the start of the job

Submit Certified Payroll Reports



Penalties

Persons who use services of unlicensed labor contractors are jointly and severally liable for unpaid wages, including penalty wages.

Unpaid workers have right of action against bond, cash deposit, or savings account.

Civil penalties not to exceed \$2,000.



Enforcement Considerations

Enforcement Approach: Is the licensing approach working as intended?

Enforcement Scope: Are “construction labor contractors” appropriately defined?

Enforcement Resources: Are there enough resources to enforce the law?



Questions?

